

VZCZCXRO5833

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RUEHLN RUEHLZ RUEHROV RUEHSR RUEHVK RUEHYG  
DE RUEHLJ #0674/01 2931433  
ZNR UUUUU ZZH  
P 201433Z OCT 06  
FM AMEMBASSY LJUBLJANA  
TO RUEHC/SECSTATE WASHDC PRIORITY 5254  
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE  
RHEHNSC/NSC WASHDC  
RUEKJCS/SECDEF WASHDC  
RUEAIIA/CIA WASHDC  
RUEKDIA/DIA WASHDC  
RUEKJCS/JOINT STAFF WASHDC//J5

UNCLAS SECTION 01 OF 02 LJUBLJANA 000674

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SENSITIVE

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E.O. 12958: N/A

TAGS: [PGOV](#) [PINR](#) [ECON](#) [SI](#)

SUBJECT: LOCAL ELECTIONS - MAYORS RUNNING THE SHOW

SENSITIVE BUT UNCLASSIFIED PROTECT ACCORDINGLY

11. (U) Summary: With mid-term local elections just days away, Slovenia is a sea of posters and placards extolling the virtues of candidates and parties in the race for control of municipalities across the country. The most interesting race is to be mayor of Slovenia's capital, Ljubljana. Sixteen candidates are in the run, and while it is almost certain the incumbent and only female candidate, Danica Simcic of the Social Democrats (SD) will not win, none of her potential successors is seen as a first round shoe-in. Several other races including Slovenia's second city, Maribor, and Nova Gorica, the center of Slovenia's gaming industry, bear watching. Many view these elections as a mid-term referendum on PM Janez Jansa's work since he took power in late 2004. Jansa's Slovenian Democratic Party (SDS) and its coalition partners have generally enjoyed more support outside of Ljubljana than the former ruling Liberal Democracy Party (LDS), and they expect to perform well. Other parties (perhaps as an attempt at face-saving) have said they will count as success an increase of their numbers on municipal councils even if they cannot capture the mayoral seats. End Summary.

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Ljubljana the Race to Watch  
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12. (SBU) The most watched mayoral race is in Ljubljana. In addition to the prestige of being the capital city, Ljubljana will also be the center of protocol attention during Slovenia's term as EU president in early 2008; it has a budget larger than most government ministries; and after two terms with women representing left-of-center parties in the lead, this year's election will go to a man, and most likely to one running as an independent. The two front runners are former Mercator (retail chain) CEO Zoran Jankovic and current president of Bank Austria Creditanstalt (Slovenia) and form Slovenian Central Bank President, France Arhar. Both candidates are running as independents, though Jankovic has deep roots with the left. Former President Kucan ZLSD/SD has publicly given Jankovic his support and several LDS members of the city council are running on Jankovic's ticket. Arhar has the support of the right-of-center ruling coalition members Slovene Democratic Party (SDS), Slovene People's Party (SLS), and New Slovenia (NSi). Jankovic, a charismatic man with a reputation for getting things done, is generally favored to win, despite late attempts to dredge up old scandals in the press and discredit him as corrupt. Arhar, a capable technocrat, lacks the personality and rhetorical skills needed to generate an enthusiastic following. No one considers the incumbent, Danica Simcic (SD), a serious contender. Borut Pahor, President of SD said as much in a meeting with COM and Polecon Chief in August.

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Local Independents  
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13. (SBU) It is not unusual in Slovenia for candidates to run, and win on, independent tickets at the local level where politics tends to be more pragmatic and personality based. It is also not uncommon for coalitions to form at the local level that do not mirror national level coalitions. That said, these local elections are seen by many as a sort of referendum on the first two years of the Jansa center-right coalition. At a recent LDS rally in Slovenia's second city, Maribor, members of the LDS leadership said that they thought they might do somewhat better than previously believed because of the "failures" of the SDS. When pressed, this politician could not clearly elucidate those failures, leaving Polecon Chief and Pol Asst with the impression that the LDS continues to founder internally and has not pulled itself together sufficiently to get beyond a platform that is simply against the SDS. The LDS is also being challenged for leadership of the left by Borut Pahor's Social Democrats.

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Lack of Leadership on the Left  
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14. (SBU) It is no secret that Pahor has designs on the Presidency which will be contested in 2007. In a lunch with Ambassador and Polecon chief, Pahor said, almost wistfully, that if his party did well in these local elections, he would likely be pressured to step back from his presidential bid in order to help the party gain more ground in 2008 national elections. While Pahor has worked methodically to shed the strong Communist associations of his party, a recent SD rally in Ljubljana drew a large crowd made up mostly of pensioners and others with fond memories of the years under Tito.

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Nonetheless, Pahor has great personal charm and appeal, and he consistently ranks at the top of popularity polls. His face is on as many billboards as the actual SD mayoral candidate's in Ljubljana. If Pahor can continue the incremental move towards the center for his party, and if the LDS continues to flounder under the weak leadership of Jelko Kacin, the Social Democrats could take over the leadership of the left by 2008. However, it is unlikely that Pahor would become Prime Minister, which he knows, and which would likely factor into his decision to seek the Presidency.

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Comment  
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5.(SBU) If these elections are considered a referendum on the first two years of Jansa and his coalition (SDS, SLS, NSi), we are likely to see a positive vote early next week. Jansa's SDS is expected to pick up a few percentage points over its 2002 wins including Maribor and possibly, the city of Nova Gorica, where US casino company Harrah's is hoping to build its first European resort. The Slovene People's Party (SLS) while not a strong national leader, has perennially been among the most successful parties in local mayoral races. Of the current 210 mayoral seats, SLS has 43 mayors in place and 30 more "Independent" mayors who enjoy support from the SLS. They expect to retain all the seats they currently control and perhaps gain a few more. Despite some optimism that perceived "failures" of the Jansa coalition will give a boost to the LDS, its own inability to articulate a vision and run strong candidates will likely result in a further decline in its overall popularity.